

## Medical billing

If you have trouble understanding your medical bills, you are not alone. Many people are confused about the bills they receive from hospitals, clinics and medical professionals.

Questions about your bill should first go to the hospital or clinic. Most have staff available to answer patient questions. Have your bill in front of you and know your account number before calling.

Your health insurance policy is a contract between you and your insurance carrier. Any questions about your health insurance should be directed to your agent or carrier. Many clinics are affiliated with Health Maintenance Organizations (HMOs) and may even have a name similar to the HMO. Contact the HMO with questions related to insurance coverage.

### Paying your bill

You are responsible for paying your medical bills. Even though you have medical insurance, it is common for hospitals and clinics to expect you to pay the bill in full immediately after receiving services, rather than billing the insurance company for its share. You then have to wait for

reimbursement from your insurance company.

Be prepared to receive separate bills for physician services such as anesthesiologist, radiologist or surgeon. This means you may receive several billings from just one visit to the hospital or clinic. The bill may even come from a billing department with a different name than your hospital or clinic. When paying for your bill, include the portion of your bill with the account number on it and also print the account number on your check.

### If you cannot pay your bill

Many hospitals and clinics will set up monthly payment plans. Review the paperwork for the monthly payment plan carefully. Try to negotiate a payment plan. Your hospital or provider may be willing to accept smaller monthly payments. Understand exactly what you are agreeing to before signing the contract. Keep in mind that your payments generally need to be reasonable and you must keep up with your payment.

If you are having problems paying your monthly bill, discuss it with the medical facility immediately. If you know before admission that

you will have trouble paying your hospital bill, let the hospital know so you can work something out with them. Some offer cost-cutting health plans for eligible participants.

Do not ignore your bills if you cannot pay them. Hospitals and clinics *can* refuse to provide care if you or a family member have an outstanding bill.

If your bills are already past due, you may be turned over to a collection agency. Most hospitals use an internal collections department before resorting to outside agencies. This internal collection does not affect your credit rating. It is very important to work with them in paying off your bill. Be prepared to provide evidence concerning your current financial situation.

In its advice to parents of chronically ill children, the American Academy of Family Physicians recommends the following:

- Notify the appropriate office quickly.
- Keep in touch with your creditors.

- Record the names and phone number of the people you are dealing with.
- Document the date, time, and results of your phone calls.
- Pay something, even a small amount, on each bill each month as a gesture of good faith.

If your account is turned over to an outside collection agency, it usually demands payment in full. In most cases, negotiations must now be made between you and that agency – not the medical facility. There are specific laws in Wisconsin that regulate credit plans and collection practices. If you feel any laws are being violated, contact the Bureau of Consumer Protection.

## Usual and customary fees

Insurance companies pay for all or a portion of what they consider usual and customary fees. This means the amount they see as reasonable for a particular service. Although each company varies, there is a national standard used as a guide. Read your policy very carefully to understand exactly what is covered and how much coverage you have. Buying supplementary insurance or Medigap does not always help with the uncovered costs. Many times supplementary policies simply overlap your primary insurance and you end up paying the same out-of-pocket costs, plus the extra premium.

Let your hospital or clinic and insurance company know if the cost of a service is more than your insurance will cover. There

may be a specific reason your procedure cost more, or it might be a mistake. However, each hospital does charge different fees and this is perfectly legal. If possible, shop around for a medical facility and compare prices just like you do before purchasing other goods and services.

## General tips

Carefully review all medical bills you receive. Alert your hospital or insurance company to any questionable billings or unpaid balances as soon as possible.

Keep in mind the following general tips:

- Keep a treatment list. Create a log of every test, treatment and medication you receive. If you do not feel well enough to keep your own record, ask a relative or friend to do it. Even a limited list will make it easier to decipher your statements.
- Watch for statements that let you know your medical bills were sent to another source for payment. These may look like bills, but they should include a statement like “This is Not a Bill,” or “For Your Records.”
- Review your bills as they arrive.
- If you have difficulty understanding the charges on your summarized bill, request an itemized bill.
- Carefully review your bills for errors. Common billing errors include duplicate billings, unauthorized charges, incorrect data, duplicate orders, and operating room times, up-coding, unbundled fees and coding errors. If your name or insurer’s group number is wrong, the amount of the plan covered is also likely to be wrong. If you were in the hospital, see how many daily room-and-board charges are included. Many plans do not allow hospitals to charge you for your discharge day, although hospitals frequently do. And refer to your log for the time you were admitted. If you went to an emergency room but were not admitted until after midnight, you should not be charged for the previous day.
- Check your bill for duplicate orders. This is particularly important for medications, lab work, or hospital room fees. Compare the charges with the doctors’ notes. Hospitals may bill a patient for a procedure even though a doctor canceled it. Also check the number of lab tests or procedures you had.
- Up-coding is a practice that inflates the patient’s diagnosis code to a more serious condition that requires more costly procedures, and can be the result of a simple clerical error or fraud. To spot it, compare the diagnosis on your doctors’ orders and nursing notes with the charges on your bill.
- Upselling is a charge that is needlessly inflated. For example, a doctor may order a readily available generic drug for you, but the hospital provides a more costly brand-name medication without your knowledge or consent, and bills you for it. Since you are not an expert at determining whether

or not a drug is a generic and may not have been in a condition to make that determination, you are not responsible for the increased charge.

- If you were charged for several lab tests in a day, for example, call your insurer to see if the charges should have been bundled under one lower fee. Look for the terms “kit,” “tray,” and “room fees.” Each of those terms covers charges for several items, such as gloves, IVs, or sheets. But, you may often find separate charges for these. Question any medical sounding word that you do not understand; you may find it should have been bundled with another charge. For example, an “oral administration fee” is really a charge for a nurse to hand you your medications, and it should be included in your room-and-board fee. Ask your insurance carrier if a medical procedure you are having requires prior authorization. This will make it easier when you file a claim and will avoid the disappointment when you find out that a procedure is not covered *after* you have already had it done.
- Do not visit an emergency room unless it is truly an emergency. It is always more expensive. Many insurance companies will not pay, or will only pay a portion of an emergency room bill, if they believe it was not an emergency.
- Keep all your medical bills organized together. It may be helpful to keep them in separate envelopes with the

date of service and date of payment printed on the outside.

- Do not transfer medical debt to a credit card. Most experts warn that this is a poor choice because the interest rates on your credit card will add significantly to your debt and transferring medical debt to a credit card may affect your eligibility for Medicaid. Some medical costs can be deducted from gross income to determine your Medicaid eligibility. Medical debt on a credit card may no longer qualify as medical debt.
- If you find a mistake, call your provider, explain the error, and ask someone in the billing department to make the correction. For each call you make, keep a record of the time, name of the person you spoke with, and what you were told. If that does not work, call an account representative or the fraud department of your insurance company.

## Question & answers

Following is a sampling of some common questions and concerns consumers have regarding medical billings:

**Q.** We have been paying off a hospital bill of \$3,000 with a monthly payment of \$20. Now the hospital is demanding we pay \$50 a month. Can it make us pay the extra amount?

**A:** Depending upon what was agreed to in your original payment contract; the hospital may be able to change your payment amount at any time. If you sincerely cannot make

a higher payment, discuss it with the medical facility and offer a financial statement as proof.

**Q.** I received a bill from my clinic that I felt was unreasonable and could not possibly be the correct amount, so I did not pay it. Now it has turned my account over to a collection agency. Can it do that?

**A:** Yes. If you do not understand or agree a bill, it is very important that you let your medical facility know that you received it and discuss it immediately. Otherwise you will be held responsible to pay the bill. If you put it off too long, a collection agency can become involved.

**Q.** I received a bill from Minneapolis for lab work. I have never been to Minneapolis. Where did this bill come from?

**A:** Many different procedures provided in the hospital, or clinic, are billed separately. Each has a different billing department than your hospital or clinic and it may be located anywhere in the country. Be sure to check the dates of service on the bill to make sure it is your bill. It is always possible that a code or clerical error resulted in the charge appearing on your bill by mistake.

**Q.** My husband's surgery cost \$2,500 but our insurance would only cover \$1,900. The insurance company said the rest was an excessive amount. What does this mean

and will we have to pay the remaining \$600 out of our own pocket?

**A:** Your insurance company sets standards as to how much it will pay towards a particular procedure. Anything over this set amount is considered excessive. If your hospital charges more than your insurance will pay, let the hospital know. However, you are still legally responsible for paying the remaining \$600. This is a good reason to shop around for both a hospital and a good medical insurance policy.

**Q.** I received a bill from my dentist for work done over three years ago. I did not even know I owed this money because I assumed my insurance company paid it. After checking, I found the insurance only covered a portion of the cost. It makes me angry the dentist is trying to collect for work done such a long time ago. Do I have to pay?

**A:** The statute of limitations is six years from the last payment. Medical providers may even try to collect on bills after the six years has expired; however, they cannot go through the court system.

For more information or to file a complaint, visit our website or contact the:

**Bureau of Consumer Protection  
2811 Agriculture Drive  
PO Box 8911  
Madison WI 53708-8911**

**E-MAIL:  
DATCPHotline@wi.gov**

**WEBSITE:  
datcp.wi.gov**

**(800) 422-7128**

**FAX: (608) 224-4677**

**TTY: (608) 224-5058**

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